



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN ALLTEL'S ACQUISITION OF MIDWEST WIRELESS

Sale of Assets in Minnesota Will Preserve Competition for Rural Consumers of Mobile Wireless Services

WASHINGTON — ALLTEL Corporation has agreed to divest assets in rural areas of Minnesota in order to proceed with its \$1.075 billion acquisition of Midwest Wireless Holdings LLC, the Justice Department announced today. The Department said that the deal as originally proposed would have resulted in higher prices, lower quality, and diminished investment in network improvements for consumers of mobile wireless telecommunications services in four areas where both ALLTEL and Midwest Wireless currently operate.

The Department's Antitrust Division filed a civil lawsuit today in U.S. District Court in Minneapolis to block the proposed transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the lawsuit and the Department's anticompetitive concerns.

ALLTEL and Midwest Wireless are regional mobile wireless telecommunications service providers and serve many rural markets. Although a combination of these two regional providers gives the merged firm the benefit of having a larger service area footprint, the divestitures are required to assure continued competition in specific markets where ALLTEL and Midwest Wireless are each other's most significant competitors, the Department said.

"The Department's action ensures that wireless telephone consumers will continue to obtain the benefits of competition--lower prices and higher quality," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The required divestitures preserve competition in rural areas where consumers often have fewer choices for wireless telephone services."

Under the terms of the proposed consent decree, the merged firm must divest ALLTEL's mobile wireless telecommunications services business, including cellular spectrum and customers, in four Minnesota areas that are comprised of 28 counties. ALLTEL is not required to divest assets used solely to provide roaming services in these four areas to carriers who use GSM technology; Midwest Wireless does not currently offer this service in these areas and therefore the proposed acquisition will not lessen competition in providing the service.

ALLTEL must make the divestitures in the following counties: Blue Earth, Brown, Chippewa, Cottonwood, Fairbault, Freeborn, Jackson, Kandiyohi, Lac qui Parle, Le Sueur, Lincoln, Lyon, Martin, McLeod, Meeker, Murray, Nicollet, Nobles, Pipestone, Redwood, Renville, Rice, Rock, Sibley, Steele, Waseca, Watowan and Yellow Medicine.

ALLTEL, headquartered in Little Rock, Arkansas, is the fifth-largest provider of mobile wireless voice and data services in the United States, serving approximately 11 million customers. ALLTEL also provides roaming and other wireless services in 35 states to other mobile wireless providers who use the CDMA, TDMA and GSM technologies. In 2005, ALLTEL earned wireless revenues of approximately \$6.572 billion.

Midwest Wireless, with headquarters in Mankato, Minnesota, serves approximately 440,000 wireless customers in three states. Midwest Wireless also provides roaming and other wireless services to other mobile wireless providers who use CDMA technology. In 2005, Midwest Wireless earned approximately \$264 million in revenues.

The Department has coordinated with the Federal Communications Commission (FCC) throughout its investigation, and the transaction is also subject to review by the FCC. The State of Minnesota joined the Department's lawsuit and proposed decree.

As required by the Tunney Act, the proposed settlement, along with the Department's Competitive Impact Statement, will be published in *The Federal Register*. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Nancy M. Goodman, Chief, Telecommunications and Media Enforcement Section, Antitrust Division, United States Department of Justice, 1401 H Street, N.W., Suite 8000, Washington, D.C. 20530 (202-514-5621).

At the conclusion of the 60-day comment period, the U.S. District Court for the District of Minnesota may enter the proposed consent decree upon finding that it is in the public interest.

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